

UNITED PUBLIC WORKERS
AFSCME, LOCAL 646, AFL-CIO
Mutual Aid Trustees Fund Meeting
Ala Moana Hotel
Honolulu, Hawai'i
Sunday, May 23, 2004

MINUTES

1. CALL TO ORDER: 12:19 p.m. by Steven DeCosta, State President
2. APPROVAL OF AGENDA: Alison Leong, Craig Yugawa M/S/C
3. ROLL CALL: 8 Present, 2 Staff-Jeanne Endo, Administrator Fiscal and Membership Services, Chip Uwaine, Field Services Director

4. REPORTS

A. State Director

1. Trustees have a high responsibility and need to exercise due diligence. Wachi and Watanabe, CPA, Inc. conducted an independent audit. Audit was clean and unqualified.
2. Ms. Jeanne Endo will respond to any questions concerning the audit, Mutual Aid Fund (MAF) and other issues relating to the MAF.
3. Motion made to approve the Monthly Internal Financials for the UPW Mutual Aid Fund from 01-01-03 to 12-31-03 and 12-31-01 to 12-31-02 and to approve the Audited Financial Statements of the UPW Mutual Aid Fund from year ending 12-31-03 and year ending 12-01-02

Alison Leong, Yvonne Gaspar M/S/C

4. Mutual Aid Fund Investment Report for Information

EXHIBIT F

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5. Income and Benefit Report for Information

- a. Claims processed

6. Profitability of Hawai'i

- b. Need to look at former trustees
- c. Proposal to get rid of equipment and upgrade equipment
- d. Use another company

7. Litigation

- a. UPW vs. Gary Rodrigues
 - 1. 1.1 million loan to Best Rescue Systems, Inc. made through Albert Hewitt, Investment Advisor
 - 2. Loan approved without due diligence (risky company) by former trustees
 - 3. Former trustees approved 1.1 million as uncollectable
- b. Motion made to affirmatively ratify the Administrator's decision to file the action against Rodrigues and approve the continuation of the litigation – United Public Workers, AFSCME, Local 646, AFL-CIO, Mutual Aid Fund Trust vs. Gary W. Rodrigues; Civil No. CV03-00598 DAE LEK

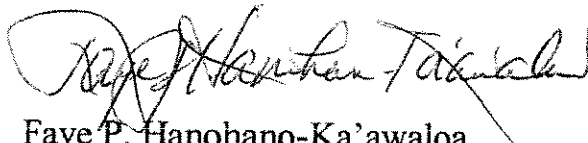
Yvonne Gaspar, Angel Santiago-Cruz M/S/C

- 8. Trustees are governed by federal law and need to do what's right for the beneficiaries of the plan. Upcoming training will be provided

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5. ADJOURNMENT: 1:00 p.m. Craig Yugawa, Alison Leong M/S/C

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Faye P. Hanohano-Ka'awaloa". The signature is fluid and cursive, with a large initial "F" and "H".

Faye P. Hanohano-Ka'awaloa
Secretary-Treasurer